



Dear Prospective Applicant,

Thank you for applying to the Indiana Office of Energy Development (OED) 2010 Conserving Hoosier Industrial Power (CHIP) program. CHIP is a program that offers financial assistance to commercial and industrial businesses for projects that reduce a facility's energy consumption. CHIP grants provide 50% funding for the implementation of energy conservation measures, up to \$400,000.

This document is intended to provide guidance and assist in completing the accompanying application. Included in this guidance are the CHIP Guidelines, Awardee Responsibilities, and Terms and Conditions.

CHIP applications may be submitted electronically anytime between July 1, 2010 – July 16, 2010. All applications will be reviewed competitively following the close of the grant application period on July 16, 2010. You will be notified if any information is missing or if more information is required for a complete analysis during the review process. The review process is expected to only take a few weeks, but you are welcome to call or e-mail for progress reports from time to time.

Please address all correspondence to:

Indiana Office of Energy Development
Attn: Kristen Trovillion
One North Capitol, Suite 600
Indianapolis, IN 46204

Sincerely,

Kristen Trovillion
Energy Efficiency Program Manager
ktrovillion@oed.in.gov

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Program Guidelines

American Recovery and Reinvestment Act (ARRA)

The American Recovery and Reinvestment Act of 2009, Public Law 111-5, appropriates funding for the Department of Energy (DOE) to issue/award formula-based grants to states, U.S. territories, units of local government, and Indian tribes under the State Energy Program. DOE's authorization for this program is set forth in Title V, Subtitle E of the Energy Independence and Security Act (EISA) of 2007.

Projects under this announcement will be funded, in whole or in part, with funds appropriated by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, (Recovery Act or Act). The Recovery Act's purposes are to stimulate the economy and to create and retain jobs. The Act gives preference to activities that can be started and completed expeditiously, including a goal of using at least 50 percent of the funds made available by it for activities that can be initiated not later than June 17, 2009. Due to the schedule of this Funding Opportunity Announcement, this date does not impact activities in the Conserving Hoosier Industrial Power program. Accordingly, special consideration will be given to projects that promote and enhance the objectives of the Act, especially job creation, preservation and economic recovery, in an expeditious manner.

Be advised that special terms and conditions may apply to projects funded by the Act relating to:

- Reporting, tracking and segregation of incurred costs;
- Reporting on job creation and preservation;
- Publication of information on the Internet;
- Access to records by Inspectors General and the Government Accountability Office;
- Prohibition on use of funds for gambling establishments, aquariums, zoos, golf courses or swimming pools;
- Ensuring that iron, steel and manufactured goods are produced in the United States;
- Ensuring wage rates are comparable to those prevailing on projects of a similar character;
- Protecting whistleblowers and requiring prompt referral of evidence of a false claim to an appropriate inspector general; and
- Certification and Registration.

These special terms and conditions will be based on provisions included in Titles XV and XVI of the Act. These Special Provisions are located at

http://management.energy.gov/business_doe/business_forms.htm.

Recipients of funding appropriated by the Act shall comply with requirements of applicable Federal, State, Tribal and local laws, regulations, DOE policy and guidance, and instructions in this announcement, unless relief has been granted by DOE. Recipients shall flow down the requirements of applicable Federal, State, Tribal and local laws, regulations DOE policy and guidance, and instructions in this announcement to sub recipients at any tier to the extent necessary to ensure the recipient's compliance with the requirements.

Be advised that Recovery Act funds can be used in conjunction with other funding as necessary to complete projects, but tracking and reporting must be separate to meet the reporting requirements of the Recovery Act and related OMB Guidance. Applicants for projects funded by sources other than

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

the Recovery Act should plan to keep separate records for Recovery Act funds and to ensure those records comply with the requirements of the Act. Funding provided through the Recovery Act that is supplemental to an existing grant is one-time funding.

Program Summary

Energy efficient retrofits of existing structures help conserve energy and manage costs. In a time of rising energy costs and increased energy supply volatility, it is vital to our economic future to decrease energy consumption and lower long term energy costs. Indiana's CHIP program will provide cost-share grants for Indiana's commercial and industrial users for the purchase and installation of energy efficient technology as outlined in this document.

The program will provide grants of between \$50,000 and \$400,000 for the installation of energy efficient technologies. Cost-share is required and must be at a minimum of 50% of the total project cost.

The purpose of the Conserving Hoosier Industrial Power program is to assist eligible entities in creating and implementing strategies to:

- increase energy efficiency, reduce energy consumption and reduce energy costs through efficiency improvements;
- reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximizes benefits for local and regional communities;
- create new jobs and increased productivity to spur economic growth and community development; and
- leverage the resources of federal, state and local governments, utilities and utility regulators, private sector and non-profit organizations to maximize the resulting energy, economic and environmental benefits.

Program Eligibility

Eligible applicants include:

- ☐ Commercial Applicants
 - Proposed project facility must be at least 30,000 sq ft and have annual energy expenditures of at least \$30,000
 - Applicant must be the entity responsible for payment of utility bills
 - Non-Indiana entities must be registered to do business with the Indiana Secretary of State (If not registered, please see the following form at <http://www.in.gov/icpr/webfile/formsdiv/38784.pdf>)
- ☐ Industrial Applicants
 - Proposed project facility must have annual energy expenditures of at least \$100,000

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

- Company must meet the definition of industry by having a [North American Industry Classification System \(NAICS\)](#) designation of 22, 31-33, 48, 49.
- Applicant must be the entity responsible for payment of utility bills
- Non-Indiana entities must be registered to do business with the Indiana Secretary of State (If not registered, please see the following form at <http://www.in.gov/icpr/webfile/formsdiv/38784.pdf>)

All proposed projects must meet all of the following criteria:

- ☐ Project must be located in Indiana.
- ☐ Project must be in a building (or in a number of buildings) owned by applicant.
- ☐ Project must meet one or more of the following criteria:
 - Demonstrate measurable improvements in energy efficiency;
 - Result in a reduction in energy demand;
 - Implement an energy recycling process, such as waste-heat recovery.
- ☐ Project must use existing reliable, commercially-available technologies.
- ☐ Project must be limited to activities that have been previously approved under the National Environmental Policy Act (NEPA) or are otherwise categorically exempt from further NEPA review. These activities include: lighting, lighting controls/sensors, chillers, furnaces, boilers, heat pumps, building insulation, windows, doors, energy management systems/controls, energy efficient compressed air, pumps, and motors.
- ☐ Eligible costs and cost-share must occur following award (tentatively August, 2010), but before April 30, 2011. Projects that begin prior to award or that will not be completed by April 30, 2011 are not eligible for grant funding.
- ☐ Project costs must be a minimum of \$100,000 as the minimum grant is \$50,000. Projects with costs exceeding \$800,000 are not discouraged, but the cap for grant funding will be \$400,000.
- ☐ In addition, all applicants must be in compliance with state and federal rules and regulations. To find out what permits may be necessary for your business, visit the IDEM Permit Wizard at <http://www.in.gov/idem/4218.htm>.

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Application Instructions

Only complete applications will be allowed to be submitted. The application must be completed and submitted through OED's online grant portal. Applications submitted through other means will not be accepted. Only signature pages and financial documents may be submitted via mail.

The grant portal will request several attachments to be uploaded. Please include only one attachment per section. For example, if you are asked to provide equipment information, it should be in one .pdf file, even if there are multiple pages.

The applicant is responsible for all costs and expenses associated with submitting this proposal. Administrative costs will not be reimbursed.

OED may request additional information after submission from an applicant to further evaluate an application. Failure to adequately address the request will cause OED to score the application as is, which could affect an applicant's overall score and/or eligibility.

OED expressly reserves the right to modify or withdraw this request for applications at any time, whether before or after applications have been submitted.

Professional Engineer

A licensed Professional Engineer (P.E.) must approve the estimates underlying the calculations on the Energy Worksheet. Failure to do so may result in an Applicant being removed from consideration for grant funding.

Cost- Share and Financial Documents

This grant requires 50% cost-share, which must be demonstrated by the applicant. For example, a \$200,000 project is eligible for a grant request of up to \$100,000. At a minimum, the applicant must secure and demonstrate the ability to provide the remaining 50% of funding, which, in this example, is \$100,000.

In some cases, in-kind contributions (such as in-house labor) may be considered cost-share. However, in the case of in-house labor, applicant must demonstrate the capacity to perform the services (i.e. maintain appropriate certifications) and document the value of the in-kind contributions.

Additionally, funding from other grant sources can be considered as cost-share. If another grant is also contributing to project cost and being used for cost share, proof of award must accompany application. The pursuit of either federal or state tax credits is not eligible to be used as cost-share, and should not be included.

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Applicants are expected to submit financial proof (i.e. bank statement, letter from bank confirming line of credit, grant award, etc) that demonstrates the ability of the applicant to provide cost-share. Failure to do so may result in an applicant being deemed ineligible to receive grant funding. While applicants should use the online Grant Management System to upload this documentation, OED will accept paper copies at the applicant's request. Applicants interested in submitting financial documentation via mail should contact the program manager.

NEPA

All projects receiving financial assistance from DOE must be reviewed under the National Environmental Policy Act (NEPA) of 1969-42 U.S.C. Section 4321 et seq. Projects must be limited to activities that have been previously approved under NEPA or are otherwise categorically exempt from further NEPA review. These activities include: lighting, lighting controls/sensors, chillers, furnaces, boilers, heat pumps, building insulation, windows, doors, energy management systems/controls, energy efficient compressed air, pumps, and motors.

Historic Preservation (Section 106 Review)

The Section 106 process determines whether a property is historic (one that is either listed in or eligible for inclusion in the National Register of Historic Places) and to insure work doesn't significantly and unnecessarily alter, damage, or destroy both above and below ground historic and/or cultural resources. Federal financial assistance (grants or loans) triggers the Section 106 review, and all applicants must undergo the Section 106 review process. Please see the document entitled "CHIP Section 106 Review Process Package", located at <http://www.in.gov/oed/2613.htm> for further guidance about starting the Section 106 process. If an applicant fails to initiate this process, the project will be deemed ineligible and not considered for funding. Ignoring additional requests for information from SHPO can jeopardize the eligibility of a project, as well.

Davis Bacon Act

All projects receiving financial assistance from DOE must be compliant with the Davis Bacon Act. Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code.

OED will **not** allow program funds to be used by grant recipients for administrative purposes. OED will sub-contract directly with third parties familiar with Davis-Bacon requirements to monitor wage rates and weekly payroll for grant recipients.

DUNS Number

If your organization does not have a DUNS number, go to the Dun & Bradstreet (D&B) online registration located at <http://fedgov.dnb.com/webform/displayHomePage.do> to receive a number

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

free of charge or call 1-800-234-3867. Please be aware that this process may take up to 10 days. All applicants must have a DUNS number to be eligible. If you are not in receipt of a DUNS number at the time of application, you must submit it to the program manager within 7 days of application. Failure to do so may result in loss of eligibility for grant funding.

Buy American

The American Recovery and Reinvestment Act (ARRA) encourages, but does not require that all products and materials purchased with ARRA funds comply with the Buy American clause.

Evaluation and Award Process

Scoring Criteria

Applications shall be considered for grant funding upon completion of the administrative and technical review. The following criteria, among others, will be considered during the administrative and technical review:

- Energy savings
- Energy cost savings
- Grant experience
- Energy Conservation Strategy or Sustainability Initiatives
- Jobs created and/or retained
- Ability to start and complete project within the timeframe specified in this document

Awards

OED anticipates awarding between 5-20 grants through the CHIP program. OED expects to notify awardees within 4 weeks following the close of the grant application period.

Please be aware that partial funding can be awarded, and applicants awarded funding may not appeal the decision made by OED. Only one application per applicant will be accepted, but multiple projects can be included in one application as long as all of the projects are within the program guidelines.

If awarded, the applicant must inform OED of refusal of funds within two weeks from original notification of award. Failure to notify OED of the refusal of funds will result in the applicant becoming ineligible for further application for grant funding.

Grant recipients may receive up to fifty percent (50%) of the total project cost through reimbursement from the state. This means that after the Agreement has been executed through the state signature process the Borrower may incur grant related expenditures, submit the appropriate

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

reimbursement documentation to OED, and be reimbursed for 50% of the amount of the qualified invoices submitted. Appropriate documentation must include an invoice for related expenditures with a zero balance remaining.

Application Checklist

Complete grant applications will include all of the following supporting materials:

- ☐ Attachment A: Project Description (titled A_Name of Applicant)
- ☐ Attachment B: Technical Sheets (titled B_Name of Applicant)
- ☐ Attachment C: Project Calculations and Quotes (titled: C_Name of Applicant)
- ☐ Attachment D: Proof of Cost-Share (titled D_Name of Applicant)

- ☐ Attachment E: Energy Conservation Strategy (titled E_Name of Applicant)
- ☐ Attachment F: Section 106 Assurance (titled F_Name of Applicant)
- ☐ Attachment G: Signature Page (titled G_Name of Applicant)

While not mandatory, you may also use the following field to upload additional materials to support your application:

- ☐ Attachment H: Other Attachments

Attachment Guidelines

Attachment A: Project Description

Please describe your organization's proposed project on a separate page (titled: A_ Name of Applicant). Please provide a narrative summary of the proposed project, and provide detail of project costs, project energy savings and calculations, and planned project equipment. Please include a summary of the general condition of the building or complex (e.g., age of structures and major mechanical systems) that would receive energy conservation improvements in a separate attachment. In addition, please describe how you intend to monitor or maximize the efficiency and performance of the installed equipment, if appropriate. Please scan, if necessary, and combine all of the information into one .pdf attachment.

Attachment B: Technical Sheets

Please include technical sheets that detail the product specifications for the proposed equipment. Please combine all technical sheets into one .pdf attachment (titled: B_Name of Applicant)

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Attachment C: Project Calculations and Quotes

Please provide in an attachment (titled: C_Name of Applicant) a copy of a quote from an installer to support your budget and grant request. In addition, please show the calculations and assumptions made to calculate the energy savings and payback of the proposed project.

Attachment D: Proof of Cost-Share

Please provide as an attachment (titled: D_Name of Applicant) financial proof documenting sufficient resources to fund the applicant's required fifty percent (50%) cost-share. This can be in the form of a bank statement, a letter from bank extending a line of credit, etc.

Attachment E: Energy Conservation Strategy

The process of becoming more energy efficient should not be limited to a one-time capital expenditure. Please provide a summary outlining your organization's current or planned energy conservation strategy or sustainability initiatives in a separate attachment (titled: E_Name of Applicant).

Attachment F: Section 106 Assurance

Please provide an attachment (titled: F_Name of Applicant), which demonstrates that you have started the Section 106 review process. For example, an appropriate example would be a copy of the signed letter sent to the State Historic Preservation Office (SHPO) to initiate the review process. More detailed guidance on the Section 106 process can be found in the document titled "CHIP Section 106 Review Process," located at <http://www.in.gov/oed/2613.htm>.

Attachment G: Signature Page

Please provide as an attachment (titled: G_Name of Applicant) a signed copy of the signature page. To do this, print out, sign, and scan into a .pdf document the CHIP Certifications and Assurances document located at : <http://www.in.gov/oed/2613.htm>.

Attachment H: Other Attachments

Please use this field to attach additional documents that support your application. These may include, but are not limited to, documentation and justification for in-kind contributions considered cost-share, site drawings, energy audits or feasibility studies. Please provide descriptive labels for each attachment (i.e. Energy Audit_Name of Applicant).

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Awardee Responsibilities

While the below responsibilities, terms, and conditions are not exhaustive and intended to substitute for the awardee reading and understanding of the contract between their entity and the State of Indiana, they provide an example of the behavior and deliverables expected by OED and the U.S. Department of Energy.

Reporting Requirements

The following will be collected from each recipient:

- One ARRA report each month
- One ARRA report each quarter
- One DOE report each quarter
- Final report due thirty days after grant's expiration

Quarterly reporting will commence within three months of award. The report will detail activities/results such as timelines, budget information including grant monies received, the items listed below, and a narrative on the project's progress. These results/activities are provided to OED by the grant recipient in the form of monthly and quarterly reports which are due to OED. The specifics of reporting timelines and requirements will be explained further in the contract signed by the applicant upon award. The reports will be used to track progress made by the grant recipient and to report to the U.S. Department of Energy. Please see the table below for a list of potential reporting requirements:

Jobs created/retained *
Buildings retrofitted
Square footage of buildings retrofitted
Energy Savings
Energy Cost Savings
Greenhouse gases reduced (CO2 equivalents)*
Criteria air pollutants reduced (CO2 equivalents)*

* If awarded, awardees will be provided with guidance on how to calculate these metrics.

A final progress report will be due. This final report will summarize all aspects of the project.

Please consider the reporting requirement seriously before application submission to ensure your ability for compliance.

Reporting will be done electronically and a valid email address is a required attribute of the applicant.

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Maintain Communication

The grant recipient shall maintain communication with the Office of Energy Development for the duration of the grant agreement. The grant recipient is obligated to report any changes in the project scope, budget, installation date etc. with OED as soon as they become aware of the changes. Failure of the grant recipient to report any changes in the activities, scope, or budget of their project once awarded constitutes a breach of contract on the part of the grant recipient and will jeopardize the receipt of grant monies. The grant recipient shall acknowledge the financial support of OED by displaying the logo of OED on any webpage, media, or printed materials that mention the project.

Site Visits

The grant recipient shall allow OED to conduct project site visits when given (5) business days notice.

Tax Liabilities

The grant recipient must be current on all tax liabilities owed to the Indiana Department of Revenue or the Indiana Department of Workforce Development prior to the award being finalized. OED encourages applicants to contact these agencies to determine your status prior to applying.

Modifications

Awardees must report to OED immediately if there is a change to the previously proposed activities, scope, or budget changes. The communication must occur prior to the modification and provide a rationale for proposed changes.

Additional resources

With support from the Indiana Office of Energy Development, Purdue's Technical Assistance Program has designed an Energy Efficiency & Sustainability (EES) program to help companies improve processes and develop energy management practices through workshops, on-site training, awareness events, implementation and consulting services. Companies seeking technical assistance should visit http://www.mep.purdue.edu/prod_services/greenEnergy.aspx for more information.

CONSERVING HOOSIER INDUSTRIAL POWER PROGRAM

Terms and Conditions

Award Approval

OED administers the CHIP program and will review and score all grant applications. All grant applications submitted will be scored competitively against one another for grant funding.

If the applicant is approved by OED, a grant agreement will be drafted in order to establish the terms of the grant and other conditions needed to manage the grant. Upon award notification, OED expects awardees to immediately begin their project by ordering equipment associated with the project as well as preparing the site of the project and obtaining any relevant permits or variances necessary for project installation to be completed. Once the awardee receives and returns the originally signed grant agreement, the agreement will begin the State's signature process, which can take up to 8 weeks for completion. Upon completing the State signature process, the award recipient may draw down on grant funds as the project is completed. Do not wait until the executed contract is returned to start project activities, as the process can significantly delay your project. Delay in contract execution is not an allowable reason for an awardee's failure to complete project installation by the deadline stipulated in the contract. Any costs incurred in this period are at the awardee's risk if the agreement is not signed and returned in this time period, no reimbursement will be made to awardee and all funds will be de-obligated.

Please see the above section entitled "Awardee Responsibilities" for further information on terms and conditions needed to manage the grant.

Confidentiality of Information

To the extent feasible and permissible by law, the Office of Energy Development (OED) will honor an applicant's request that confidential information submitted to OED will remain confidential. OED will treat information as confidential only if: (i) the information is, in fact, protected confidential information such as trade secrets or privileged or confidential commercial or financial information; (ii) the information is specifically marked or identified as confidential by the applicant; (iii) the information is segregated and placed in a separate appendix to the application; and (iv) no disclosure of the information is required by law or judicial order. If the application results in award of a grant, the honoring of confidentiality of identified data shall not limit the right of OED to disclose the details and results of the grant to the general public. Each and every page containing proprietary data must be clearly identified and marked CONFIDENTIAL.

Indemnification

To the extend allowable by law, Applicant agrees to indemnify, defend, and hold harmless the State, its agents, officials, and employees from all claims and suits including court costs, attorney's fees, and other expenses caused by any act or omission associated with the submission of this application. The State shall **not** provide such indemnification to the applicant.